



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

July 25, 2008


Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich
From: 
William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Pursuit of County Position on a Budget Item

Reduction of Random Licensing Inspections. The Governor's Budget for FY 2008-09 proposes to reduce the frequency of inspections of child day care, children's residential, and elderly residential and day care support facilities. Currently, annual State inspections are performed at approximately 10 percent of the 86,000 community care facilities that require close monitoring due to compliance history or because the facilities provide care for developmentally disabled clients. Of the remaining 90 percent of community care facilities, 30 percent are inspected annually on a randomly sampled basis. The Governor's Budget proposes to reduce the 30 percent random sample protocol to 14 percent. This would reduce inspections of community care facilities from once every five years to once every seven years, resulting in a State General Fund savings and a total reduction of \$480,000 in combined State and Federal funds. The Senate and Assembly Budget Committees rejected the Governor's proposed reductions.

The Policy Roundtable for Child Care indicates that reduced State inspections of child care facilities place young children at risk of harm, especially those who do not participate in child development programs with high quality standards such as the Board-approved Steps to Excellence Program, currently being piloted in nine communities in the County. Consistent with Board-approved policy to seek restoration of State Budget reductions and support efforts to ensure the health and safety of all children cared for in licensed early

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

care and education facilities by increasing monitoring and visitation activities from the California Department of Social Services Community Care Licensing Division, **our Sacramento advocates will oppose the Governor's proposed funding reductions to conduct random licensing visits to community care facilities.**

Pursuit of County Position on Legislation

AB 2204 (De La Torre), as amended on July 2, 2008, would require any person recording a deed or other instrument transferring the title of real property constructed before 1964 to attach all covenants, conditions, and restrictions (CC&R) associated with the property. The bill further requires that the county recorder submit a copy of those documents to the county counsel and would require the county counsel to review all documents and determine whether any contain unlawful restrictions. If the county counsel determines that a document contains an unlawful restriction, the county counsel would be required to complete a Restrictive Covenant Modification Form (RCMF) and attach a copy of the original document with the unlawful restrictive language stricken. Subsequent to final review, the county counsel would return the documents and RCMF, if any, to the county recorder. The RCMF would be recorded with all other appropriate documents.

According to County Counsel, a report prepared by the Office of the Assessor indicates that over the past four years the number of transactions transferring real property involving pre-1964 structures averaged 17,000 per month. The review of 17,000 deeds and CC&R per month would require approximately 27 attorneys reviewing deeds on a daily basis. The estimated annual cost for County Counsel to perform this function is \$6.8 million. In addition, the Registrar-Recorder/County Clerk could incur an additional estimated cost of \$1.0 million annually.

The Registrar-Recorder/County Clerk indicates that AB 2204 would not affect a large number of the 17,000 properties transferred with pre-1964 structures. However, the additional processing contemplated under the bill would still have to be performed. Additionally, this bill would require the Registrar-Recorder/County Clerk to send a notice to owners indicating that an RCMF has been recorded, adding an additional step to the recording process. The new requirements of AB 2204 would result in delays to the escrow process and additional recording charges to the public, consistent with laws governing the charging of fees for basic recording and additional charges for additional pages copied. According to the Department, the average CC&R contains 50 pages. County recorders are allowed to charge \$3 per additional page, which would result in an additional \$450 charge for a 50-page CC&R.

County Counsel, the Registrar-Recorder/County Clerk, and this office are opposed to AB 2204. County Counsel indicates that any discriminatory language that exists in a CC&R is void by law and unenforceable. While AB 2204 indicates the potential for a State-mandated program, there is a risk of significant financial burden to the County.

Moreover the direct impact to the public would be severe. AB 2204 could result in substantial delays in the recording process and real estate transactions. **Therefore, our Sacramento advocates will oppose AB 2204.** Opposition to this legislation is consistent with Board policy to minimize the adverse impact of State actions on the County and oppose legislation that imposes burdens or creates unfunded mandates to provide access to records and information maintained by County agencies.

AB 2204 is supported by several organizations including the Mexican American Legal Defense and Educational Fund, the American Civil Liberties Union, the Anti-Defamation League and Asian Americans for Civil Rights. The bill is opposed by the California State Association of Counties, the California Association of Clerks and Election Officials, the California Land Title Association and the California Escrow Association. AB 2204 passed the Senate Judiciary Committee by vote of 3 to 2 on July 1, 2008 and is scheduled for a hearing in the Senate Appropriations Committee on August 4, 2008.

We will continue to keep you advised.

WTF:GK
MAL:DD:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants